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# THE BOWATER ORGANISATION Annual Report and Accounts for 1965





**To holders of ordinary stock**

APRIL 5  
5, 1966

NOTICE IS HEREBY GIVEN that the Annual General Meeting of The Bowater Paper Corporation Limited will be held at Grosvenor House, Park Lane, London, W.1, on Thursday, the 21st day of April, 1966, at 12 noon, for the purpose of receiving and adopting the Directors' Report and Accounts to 31st December, 1965, and transacting the ordinary business of the Corporation.

Mr. K. N. Linforth and Mr. J. H. Mowbray Jones retire from the Board by rotation in accordance with the Articles of Association and resolutions for their re-election will be submitted to the meeting. Sir John Keeling, being seventy years of age, retires from the Board in accordance with the provisions of the Companies Act, 1948 and special notice has been received of a resolution for his re-election.

Dated this 30th day of March, 1966

*By order of the Board*  
W. E. J. Miles  
Secretary

Bowater House, Knightsbridge, London, S.W.1

A member entitled to attend and vote at this meeting is entitled to appoint one or more proxies to attend and vote in his stead; a proxy need not be a member. The instrument of appointment must be deposited at the Registered Office of the Corporation not less than forty-eight hours before the time of the meeting.

Although the Report and Accounts are sent to preference, debenture and loan stockholders, only holders of the ordinary stock are entitled to attend and vote at the meeting.

# The Bowater Paper Corporation Limited

Registered Office: Bowater House, Knightsbridge, London, S.W.1

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## BOARD OF DIRECTORS

*Chairman*  
Sir Christopher Chancellor C.M.G.

*Vice-Chairmen*  
Sir John Keeling  
K. N. Linforth

*Managing Director*  
J. Martin Ritchie

J. H. Mowbray Jones (Canada)  
Robert Knight  
The Rt. Hon. Sir Frank Lee G.C.M.G., K.C.B.  
C. F. Popham  
V. J. Sutton (U.S.A.)  
Neville Whitehurst O.B.E.

*Special Director*  
Sir Noël V. Bowater Bt., G.B.E., M.C.

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Comptroller Sam Mann F.C.A.

Secretary W. E. J. Miles F.C.A.

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AUDITORS  
Barton, Mayhew & Co.

CONSULTING ACCOUNTANTS  
Peat, Marwick, Mitchell & Co.

FINANCIAL ADVISERS IN UNITED STATES OF AMERICA  
Morgan Stanley & Co. of New York

UNITED KINGDOM BANKERS  
Lloyds Bank Limited Barclays Bank Limited Westminster Bank Limited N. M. Rothschild & Sons

## The Chairman's Statement



Sir Christopher Chancellor, C.M.G.  
Chairman of The Bowater Paper  
Corporation Limited

## ANOTHER RECORD YEAR

Again in 1965 we have had a record year and in my first sentence I pay tribute, as I know you would wish, to the Bowater team of men and women who serve this Organisation so loyally, so capably and so successfully. It is to them that we owe these good results and the steady progress of The Bowater Paper Corporation in its world-wide operations.

Profits before tax for the year 1965 were £16,379,000 and the net profit figure, after deducting tax and the amounts due to outside interests, came out at £7,891,000 compared with £6,378,000 in 1964.

In dealing with the 1965 after tax figures comparisons can be misleading. In our 1965 accounts we have assumed Corporation Tax at 40 per cent. Under the terms of the last Finance Act, 1965 is a special tax year, and for 1966 and thereafter tax deducted from dividends will be paid over to the Inland Revenue as a distribution tax. After paying a total dividend of 3/- on each Ordinary Share the 1965 profit retention is £4,003,000 compared with £2,734,000 for 1964.

### Mr. C. T. Hicks

Reviewing the year 1965 it is my first duty sadly to recall the fact that the Board of the Corporation has lost a greatly loved member, Mr. C. T. Hicks, the head of The Bowater Paper Company Inc., in New York. Mr. Hicks died in New York on October 9, 1965, at the age of 64, having spent nearly forty years in the paper industry in the United States, the last twenty-five of them with Bowaters. He was a salesman of genius and he played a major part in bringing Bowaters to its present high position in the United States. His death was deeply mourned by his many devoted friends in the American newspaper world.

His successor as President of The Bowater Paper Company Inc., New York, is Mr. W. A. Sprague, a man of proved ability who, in addition to a wide knowledge of the United States market for newsprint and other types of paper, has had valuable experience in the publishing industry of the United States.

### Hugh Stevenson & Sons, Limited

With our North American operations showing all the signs of steady and sustained growth and with the problems stemming from the United Kingdom Corporation Tax in mind, we have been turning our attention to the balance between our home and overseas earnings. This was one of the considerations prompting us to acquire Hugh Stevenson & Sons in February 1966.

This old-established and successful company, which employs more than 4,000 people, owns factories at Manchester, London, Newport (Mon.), Birmingham, Lichfield, Darlington, Glasgow and Edinburgh, producing a range of paper board boxes and corrugated fibreboard containers. Its operations complement those of our own Bowater Packaging Company and by joining the two companies together we shall establish a stronger unit in the competitive United Kingdom packaging field.

*The Economist* in its issue of January 22 summed up our policy and position in the following words:

*"Bowater is already pretty strong in packing case manufacture. Stevenson will increase Bowater's carton making and other packaging capacity. And it has further distinct attractions. It is a well managed company with good equipment and three of its four factories are in parts of the country where Bowater has no manufacturing capacity. Bowater/Stevenson's stake in waste paper is also important. An increased use*

*of waste paper, now technically on the cards, could enable British produced paper to compete better with imports from Scandinavia and Canada."*

We are glad that the Board of Hugh Stevenson & Sons recommended their shareholders to accept the Bowater offer.

To enable this transaction to be completed an Extraordinary General Meeting of The Bowater Paper Corporation was held at Bowater House on February 21 at which a Resolution was carried enabling the authorised capital of the Corporation to be increased by the creation of an additional 10,000,000 Ordinary Shares of £1 each.

### Bulkley Valley

At the other end of the world, in Western Canada, we started last year planning for the longer term.

We announced in July that Bowaters Canadian Corporation had made an agreement with Bathurst Paper of Montreal for a major pulp and paper development and that the two companies had jointly established a controlling interest in Bulkley Valley Pulp and Timber of Houston in northern British Columbia. The British Columbia Minister of Lands and Forests granted the Bulkley Valley Pulp and Timber Company, under its new ownership, an exclusive pulp harvesting licence covering an area of more than six million acres with Houston as its central point. Bathurst Paper is one of Canada's leading manufacturers of packaging paper and packaging products and, like Bowaters, it already has a large stake in the pulp and paper industry in Eastern Canada. This important new development puts Bowaters, with a strong Canadian partner, into Western Canada with a stake in one of the greatest forest areas in the world with an abundant supply of available timber resources for the manufacture of pulp and paper of all grades.

Last October, accompanied by Mr. K. N. Linforth, Vice-Chairman, and Mr. Martin Ritchie, Managing Director, I visited the Bulkley Valley area. We inspected alternative mill sites and met the local saw mill operators who are to be associated with us. We plan to start building a pulp and paper mill in 1968 or 1969 with a daily output in the range of 600 to 1,000 tons to come into operation in 1971. The type of pulp and paper to be manufactured will not be finally decided until we embark upon the construction of the mill - a decision which will be taken in the light of supply and demand conditions when the time comes.

The Premier of British Columbia, Mr. W. A. Bennett, and his Government have welcomed the entry of Bowaters into their wonderful and rapidly developing Province.

### The Swiss Loan

In December last year we concluded arrangements for the issue of a 15 year loan in Zurich underwritten by a consortium of Swiss banks. This loan, which was for Swiss Francs 45 million (approximately £3 $\frac{3}{4}$  million sterling) was issued at 99 bearing interest at 5 per cent per annum. It was successfully launched and well oversubscribed. The proceeds of the loan are being applied in paying off bank overdrafts in Europe and by this means we have funded our European short-term borrowings and reduced our interest charges.

This is our second loan in Switzerland. The first, issued in 1962, was for Swiss Francs 60 million (approximately £5 million sterling).

### Taxation

I will not go into too much detail in referring to the changes in the basis of company taxation (including the proposed new system of investment allowances and the effects of Corporation Tax upon company retentions) which have complicated matters for every board room in this country. But I should point out that in 1966 the "transitional" and "overspill" reliefs are estimated to be approximately £1 $\frac{1}{2}$  million and this will be the measure of the mitigation to your company in the current year.

We have ahead of us (including 1966) three years of full "overspill" tax reliefs applied to overseas earnings, whereafter these reliefs will begin, quoting an unpleasant word, to "taper." I do not believe, however, that this question has been finally and irrevocably settled. The Department of Applied Economics at Cambridge, under the sponsorship of the Confederation of British Industry, is engaged upon a detailed study of the value of direct overseas investment to the United Kingdom balance of payments and the United Kingdom economy generally. It is greatly to be hoped that, when further facts and figures illuminating this complex subject are available, the Government may feel justified in reducing permanently the impact of the change to Corporation Tax upon companies with successful and expanding overseas operations.

In any event, although the broadening of our United Kingdom base is constantly in our minds, it must also be our policy to continue





building upon our strong foundations overseas, especially in North America, making decisions and plans on the basis of economic facts and trends, irrespective of taxation arrangements which are subject unpredictably to change as the years pass. Our paper mills in the United States and Canada must continue to expand to meet the growing requirements of customers in their supply areas; it is in North America that great reserves of forest raw materials are still to be exploited; and it is in the United States that consumption of paper continues to grow at a pace faster than anywhere else in the world.

### The 1965 Results

After deducting the figures of Bowater-Scott in the United Kingdom, which were consolidated with the Group accounts for the first time in 1965, the pre-tax profits of the Bowater Paper Corporation were better by more than £1,000,000 in 1965 compared with 1964. There was a notable increase of more than £1,000,000 in the profits of our United Kingdom operations, almost equally divided between the paper mills and the packaging factories; and an all-round profit increase in the United States, Continental Europe, Australia and New Zealand. Profits in Canada on the other hand were down. This was due for the most part to a disappointing year in Newfoundland where profits before tax were £600,000 less in 1965 than in 1964, owing partly to production problems at the Corner Brook mill in connection with the rebuilding of one of the newsprint machines. But increased labour costs and higher expenditure on wood procurement in our forest limits also added to the cost of producing newsprint at the two Canadian paper mills.

Output reached new records at almost every one of our mills and factories during the year. The United Kingdom mills manufactured and sold 490,000 long tons of newsprint compared with 440,000 long tons in 1964. It is to the credit of the management and staff of Bowaters United Kingdom Pulp and Paper Mills that they were able so speedily to respond to the increased requirements of the British newspapers. It is planned to produce more than 500,000 tons of newsprint at our home mills this year; and we believe that our newspaper customers, for whom, big and small alike, we endeavour to provide high standards of quality, service and delivery, will continue as the years go by to look to the United Kingdom industry for a substantial proportion of their

supplies. We believe that we can make yet more tonnage on our present machines if the newspapers continue their support of the home industry.

In my Statement for 1963 I referred to our decision to close some machines at the mill at Sittingbourne in Kent as part of a policy to move production to types of paper effectively competitive with imports from Scandinavia now benefiting from the final round of the EFTA tariff reductions. In 1965 the reorganisation at Sittingbourne was completed with excellent results, and the mill is operating at full capacity.

In last year's Statement I mentioned the three units where things had not gone well - Rome, Rheims and Gillingham. I am glad to say that in 1965 the position at Rheims and Gillingham has improved to the extent that these factories are now a diminishing problem. A year ago I said that we had decided to close the Rome factory and this operation is now nearing completion. The Rome trading losses for the year of £564,000 have been charged to Profit and Loss Account and, as is shown in a note to the accounts, terminal losses of £998,000 have been charged to Capital Reserve.

The two associated companies, Bowater Philips S.A. at Ghent and Bowater-Scott Australia at Melbourne, had a very successful year, production and profits being well up on 1964. At Ghent the pre-tax profit in 1965 was £240,000 and at Melbourne £267,000. At the end of last year arrangements were made under which the Bowater-Scott company in Melbourne became a subsidiary company in terms of the Companies Act. Our consolidated accounts therefore will include the Bowater-Scott Australia trading figures from January 1, 1966, onwards.

In New Zealand, the Tasman Pulp and Paper Company Limited made a record profit before tax of N.Z. £2,900,000 for the year ended October 31, 1965, compared with N.Z. £1,700,000 for the previous year and paid a dividend of 10 per cent compared with 8 per cent. The Bowater Paper Corporation has a 17 per cent investment in the New Zealand company and a sales and management contract.

Capital expenditure in 1965 came out as forecast at approximately £11,000,000 of which £9,000,000 was spent by our overseas subsidiaries. In addition £1,500,000 was spent at the Bowater-Scott tissue mill at Northfleet, Kent, where the new No. 3 paper machine was successfully completed and came into operation last summer. At this date our anticipated capital expenditure in 1966, mostly for re-

equipping the paper mills and factories, makes up a total of £13,500,000, of which £7,500,000 will be spent by our overseas subsidiaries.

### Newsprint—A World Commodity

Despite our increasing production of coated and other printing papers and packaging of many types, our main international activity remains the provision of newsprint to the newspapers of the world. In 1965 sales of newsprint at £80,000,000 represented 43 per cent of the Group's total sales volume. At our newsprint mills in the United Kingdom, France, Canada and the United States we made no less than 1,625,000 short tons of standard and special types of newsprint in 1965 and of this impressive total approximately 850,000 short tons were sold and delivered in the United States by our American sales company based upon New York and Atlanta, Georgia.

Three years ago newsprint prospects looked a little ominous for the producers—world production capacity was much in excess of consumption, many mills were running uncomfortably below capacity and this situation of imbalance seemed destined to continue for some time. But largely owing to the consistent and rapid rise in United States consumption, the position started to right itself earlier than many observers had expected. In April 1964 I told the Bowater shareholders that the general newsprint position looked better than a year earlier, pointing out that "there had been a check in the installation of new newsprint capacity and consumption forecasts looked encouraging."

In 1965 the consumption/production gap narrowed and most Canadian and United States newsprint mills were running at full or nearly full capacity: for the United States it was a record newsprint consumption year and for the North American mills a year of record production. It seems likely that 1966 will see a repetition of 1965 and The Newsprint Association of Canada has gone so far as to forecast that in 1966 "*U.S. customers may find that available supply is barely adequate in peak consumption periods and that any interruption of supply could result in shortage.*" The same source predicts an average operating rate of about 90 per cent for Canadian newsprint mills—"the highest rate in the 8 years since 1957."

This is indeed a reversal of what seemed to be the position three years ago, and the pointers are that current trends will continue

for some time to come. But, despite a fairly tight supply position in 1966, there ought to be a reasonable balance between demand and supply during the coming years with, it is hoped, "*sufficient reserve capacity to meet the sudden surges of demand which have been typical of the newsprint publishing industry.*" (I again quote from the published reports of The Newsprint Association of Canada.) This view is based on an assessment of probable expansion plans of the world's newsprint producers, estimates of increased production being set against a generally optimistic forecast of world newsprint consumption.

The American Newspaper Publishers Association recently issued a very detailed forecast of newsprint consumption in the United States area by area for the coming decade. Its conclusion was as follows: "*United States newsprint consumption in the decade ahead should increase at an average rate of 3 to 4% per year. While there is no immediate prospect of a newsprint shortage, substantial additions to capacity will be needed to supply United States newspapers in the years ahead. The future growth of both newspaper publishing and the North American newsprint industry is dependent upon an adequate supply of newsprint. Because additions to capacity must be initiated well in advance of the time they will be needed, reliable projections of future demand are important to publishers and producers.*"

Reliable projections of demand are of vital importance to the world newsprint industry and at periods in the past unreliable or over-optimistic projections have brought about over-production and excessive capital investment. But for the newspapers, whose life-blood is newsprint, continuity and security of supply is essential and for them production at best ought to run a little ahead of demand.

The fact that newsprint mills generally have been able to make more tonnage on their machines during the past couple of years has enabled most of them to preserve their profit margins. But mills are now running at full or nearly full capacity, while almost all manufacturing and distribution costs continue to rise, not only in the United Kingdom, where "incomes" grow faster than "prices," but in North America where new wage awards and increased costs in almost every department are eroding profit margins. This affects the specialist newsprint companies more than those that are diversified into other products; and some mills are more efficient than others or better placed geographically. Generally, however, newsprint manufacturing costs continue to rise.

In this capital intensive and highly competitive newsprint industry, which suffers periodical maladjustments in the balance between supply and demand, long-term forward planning will always be a difficult exercise. Expansion of capacity has to be financed long in advance; and recently the closing gap between mounting production costs and a static newsprint price has tended to act as a deterrent to further investment.

Newsprint is a world commodity and, generally speaking, world prices follow the established New York price which was increased to \$134 a short ton in 1957 and has stayed there ever since. In the United Kingdom also the last price increase was in 1957; but the price has been reduced on two occasions since then, the last being a reduction of 35s. a long ton in 1963.

Pressures for a price increase have been building up in North America during the past six months and, as I write this Statement, an upward adjustment has been initiated there. It is my belief that an increased newsprint price has now become necessary, not only in the immediate interest of the manufacturer, but also in the long-term interest of the consumer. I hope, however, that if a new price is established it will be at such a level as to provide stability for a reasonably long period ahead: newspapers require price stability as well as an assurance of sufficient supplies for their future needs. On the other hand producers cannot be expected to underwrite the necessary expansion to provide this assurance unless they can count upon the maintenance of an economic price.

### Conclusion

In this Statement I have given a less detailed account of the Corporation's affairs than I did for 1964 when I reviewed our operations more or less unit by unit. But I have recorded what seem to me to have been the significant happenings in 1965 and I have also directed your attention to several matters of special importance.

It was difficult a year ago to make a forecast for 1965, which I suppose will go down to history as the year of the depression that was predicted and then did not happen. It is just as difficult at this stage to make a forecast for 1966. The implications of a newsprint price increase, if it is established and stabilised, will be apparent to you. But, as I close this

Statement, the price situation is fluid. I hope to be able to clarify it when I meet shareholders at the Annual General Meeting on April 21.

Your Company is in good shape, and at this stage I cannot do better than repeat what I said to you last year — namely, that I view the future of Bowaters with absolute confidence and see no reason why your Company should not continue to grow and prosper in the years ahead.

In the United Kingdom increasingly the official emphasis is upon exports. I regret, and view with some apprehension, the narrow interpretation given to this word. Bowaters by the nature of its business cannot rank with the exporters as now defined. But we are "import savers" on no small scale, and large dollar earners from our successful and profitable investments in North America bringing by this means substantial benefits to the balance of payments which are perhaps more durable and lasting than certain types of direct exports of goods. There are, however, no "incentives" for Bowaters and companies similar to ourselves — we suffer "disincentives" instead. The flow of the economy is being twisted in many directions by methods of discrimination of various kinds and by changes in taxation. In this current narrow definition of exports it is possible that the "exporters" may in the longer term come to suffer from a surfeit of "incentives" and that some of them may export to the detriment of the economy as a whole.

In Bowaters we shall continue planning for the long term with special emphasis upon our great business in Canada and the United States, where we have the momentum of a proven success story, first-class management, and widely earned respect and goodwill. We are especially proud of our position in the American paper industry and grateful to our friends in that industry and to our American newspaper customers for the warmth and generosity of their welcome to Bowaters in the United States.

C.J. Chancellor.

18th March, 1966

## Summary of results for 1965

	£000s
<hr/>	
<b>Profits</b>	
Consolidated profit before taxation	16,379
Profit after taxation attributable to members of the Corporation	7,891
Preference dividends (net)	241
Ordinary dividends (net)	3,647
Profit retained	4,003
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<b>Sales</b>	
External sales	166,219
Internal sales	19,198
	<hr/> 185,417
Product analysis of sales (including internal sales): %	
Newsprint	43
Magazine, coated, packaging and other papers	24
Packaging products	16
Pulp	12
Other products and services	5
	<hr/> 100
<hr/>	
<b>Geographical analysis</b>	
Consolidated profit before taxation: %	
U.K.	30
Overseas	70
	<hr/> 100

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## **Directors' report**

to the members of The Bowater Paper Corporation Limited

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The Directors present the Consolidated Balance Sheet and the Statement of Profit and Loss of the Corporation and its subsidiary companies for the year ended 31st December, 1965.

Consolidated profit before taxation for the year amounted to £16,379,000 compared with £14,554,000 for the preceding year. After providing for taxation, for minority interests, and for the preference dividends of subsidiary companies, the net profit attributable to members of the Corporation was £7,891,000 against £6,378,000 for 1964.

An interim dividend of 1s. 0d. per £1 stock unit was paid on the ordinary stock in October last. A second interim dividend of 2s. 0d. per £1 stock unit was declared in January and will be paid, less income tax, on 4th April, 1966 to stockholders of record on 28th February, 1966. These two interim dividends make a total distribution for the year of 3s. 0d. per £1 stock unit and it is not proposed to pay any final dividend; dividends paid for the year 1964 amounted to 2s. 9d. per £1 stock unit.

After providing for the above-mentioned dividends, an amount of £4,003,000 remains to be added to unappropriated profits compared with £2,734,000 for 1964.

Bowater House, Knightsbridge, London, S.W.1  
18th March, 1966

*By order of the Board*  
W. E. J. Miles  
Secretary

**Consolidated statement of profit and loss**

for the year ended 31st December 1965

	<b>1965</b> £000s	<b>1964</b> £000s
Sales—external	166,219	152,450
—internal	19,198	18,797
	<b>£185,417</b>	<b>£171,247</b>
Consolidated profit before taxation ( <i>note 1</i> )	16,379	14,554
Taxation ( <i>note 2</i> )	7,678	7,342
Profit for the year after taxation	8,701	7,212
Minority interests ( <i>note 3</i> )	810	834
Profit attributable to members of the Corporation ( <i>note 4</i> )	7,891	6,378
Preference dividends of the Corporation ( <i>note 4</i> )	241	249
	<b>7,650</b>	<b>6,129</b>
Ordinary dividends of the Corporation ( <i>note 4</i> )	3,647	3,395
Profit retained	£4,003	£2,734

The Bowater Paper Corporation Limited and subsidiary companies

**Consolidated balance sheet**

31st December 1965

	1965 £000s	1964 £000s
<b>CAPITAL EMPLOYED</b>		
Ordinary capital (note 5)	41,381	41,381
Share premium account (note 6)	11,154	11,371
Retained profits and other reserves (note 7)	44,440	41,393
	<hr/> 96,975	<hr/> 94,145
Minority interests (note 8)	12,847	11,781
Preference capital (note 5)	7,394	7,394
Loan capital (note 9)	71,299	71,930
Tax equalisation (note 10)	12,083	11,356
Future taxation (note 11)	2,215	2,158
	<hr/> £202,813	<hr/> £198,764
<b>EMPLOYMENT OF CAPITAL</b>		
Current assets (note 12)	67,258	65,189
Current liabilities and provisions (note 13)	35,340	34,831
Net current assets	<hr/> 31,918	<hr/> 30,358
Deposits with trustees (note 14)	2,927	3,115
Notes receivable (note 15)	2,134	2,324
Trade investments (note 16)	3,267	3,403
Fixed assets (note 17)	162,567	159,564
	<hr/> £202,813	<hr/> £198,764

*On behalf of the Board*  
C. J. CHANCELLOR  
J. H. KEELING

DIRECTORS

The Bowater Paper Corporation Limited

**Balance Sheet**

31st December 1965

	1965 £000s	1964 £000s
<b>CAPITAL EMPLOYED</b>		
Ordinary capital ( <i>note 5</i> )	41,381	41,381
Share premium account ( <i>note 6</i> )	11,154	11,371
Retained profits and other reserves ( <i>note 7</i> )	13,012	13,256
	<hr/> 65,547	<hr/> 66,008
Preference capital ( <i>note 5</i> )	7,394	7,394
Loan capital ( <i>note 9</i> )	18,349	15,737
	<hr/> £91,290	<hr/> £89,139
<b>EMPLOYMENT OF CAPITAL</b>		
Investments in subsidiaries ( <i>note 18</i> )	92,188	88,448
Trade investments ( <i>note 16</i> )	1,801	1,519
Current assets ( <i>note 12</i> )	3,393	3,951
	<hr/> 97,382	<hr/> 93,918
Current liabilities and provision ( <i>note 13</i> )	6,092	4,779
	<hr/> £91,290	<hr/> £89,139

*On behalf of the Board*

C. J. CHANCELLOR  
J. H. KEELING

DIRECTORS

## Notes to the accounts

	£000s	£000s
	1965	1964
<b>1 CONSOLIDATED PROFIT BEFORE TAXATION</b>		
is after charging:—		
Depreciation	10,978	10,878
Interest on loan capital—Corporation	792	807
—subsidiaries	2,883	2,909
Directors' emoluments for executive services including contributions to pension schemes	201	186
Pensions to former executive directors and to dependants	28	24
Superannuation payments in respect of executive directors who retired during the year	—	80
and after adding:—		
Dividends from associated companies	165	132
Income from other trade investments	39	50
<b>2 TAXATION</b>		
United Kingdom—corporation tax	2,275	—
—profits tax	401	1,182
—income tax	819	3,169
Overseas taxation less double tax relief on dividends received or receivable in the United Kingdom	3,495	4,351
Tax equalisation	3,555	2,430
	628	561
	<hr/> 7,678	<hr/> 7,342
United Kingdom corporation tax has been calculated at the rate of 40%.		
Relief for investment allowances has reduced United Kingdom taxation by £446,000 (1964 £331,000).		
<b>3 MINORITY INTERESTS</b>		
Preference dividends of overseas subsidiaries	253	579
Profit attributable to outside ordinary shareholders	557	255
	<hr/> 810	<hr/> 834
The reduction in the preference dividends of overseas subsidiaries results from the redemption of Canadian preferred stock in 1964.		
The increase in profit attributable to outside ordinary shareholders follows upon the consolidation for the first time of the profits of Bowater-Scott Corporation Limited.		
<b>4 PROFIT DEALT WITH IN THE ACCOUNTS OF THE CORPORATION</b>		
Profit attributable to members of the Corporation	7,891	6,378
Retained by subsidiaries	3,284	2,478
Dealt with in the accounts of the Corporation	4,607	3,900
Preference dividends, less income tax	241	249
	<hr/> 4,366	<hr/> 3,651
Ordinary dividends, less income tax: first interim of 1s. per £1 stock (1964 1s.) and second interim of 2s. per £1 stock in lieu of final (1964 final 1s. 9d.)	3,647	3,395
Profit for the year retained by the Corporation	719	256
<b>5 CAPITAL OF THE CORPORATION</b>		
Ordinary—authorised —issued in £1 stock units	45,000 41,381	45,000 41,381
5½% Cumulative Preference—authorised —issued in £1 stock units	15,000 7,394	15,000 7,394

	£000s	£000s
<b>6 SHARE PREMIUM ACCOUNT</b>		
Discount, £37,000, and expenses, £180,000, on issue of the 5% Swiss Loan have been charged to share premium account.		
<b>7 RETAINED PROFITS AND OTHER RESERVES</b>	<b>CONSOLIDATED</b>	<b>CORPORATION</b>
	<b>1965</b>	<b>1964</b>
Retained profits	24,653	20,788
General and contingencies reserves	6,040	6,040
Capital reserves	13,747	14,565
	<b>44,440</b>	<b>41,393</b>
	<b>1965</b>	<b>1964</b>
	4,853	4,134
	1,000	1,000
	7,159	8,122
	<b>13,012</b>	<b>13,256</b>
<b>Retained Profits</b>		
at 1st January, 1965	20,788	4,134
Difference on conversion at current rates of exchange	(73)	-
Profit for the year retained	4,003	719
Proportion of retained profit of Bowater-Scott Australia Limited at 31st December, 1965 ( <i>note 16</i> )	272	-
Transfer to capital reserves	(292)	-
Transfer to tax equalisation in respect of prior years	(45)	-
	<b>24,653</b>	<b>4,853</b>
The retained profits of certain overseas subsidiaries would be subject to withholding taxes on distribution.		
Under the terms of agreements relating to the funded debt of United States subsidiaries, the distribution of retained profits (£10,993,000) of those companies is subject to certain restrictions.		
<b>Capital Reserves</b>		
at 1st January, 1965 (before consolidating adjustments of £2,186,000)	16,751	8,122
Transfer from retained profits	292	-
Terminal losses of Bowater Europea S.p.A. Rome (including provision of £300,000)	(998)	(998)
Profit on sale of trade investment	47	-
Surplus on preference shares and debentures purchased for redemption, exchange adjustments and other capital items	49	35
	<b>16,141</b>	<b>7,159</b>
Consolidating adjustments:		
Premiums on acquisition of shareholdings in overseas subsidiaries	(3,093)	-
Net difference on conversion at current rates of exchange of share and loan capital of overseas subsidiaries	699	-
	<b>13,747</b>	<b>7,159</b>
<b>8 MINORITY INTERESTS</b>	<b>1965</b>	<b>1964</b>
(outside shareholders' interests in subsidiaries)		
Preference shareholders	4,890	4,980
Ordinary shareholders	7,957	6,801
	<b>12,847</b>	<b>11,781</b>

The preference capital, £3,103,000, of Bowaters Mersey Paper Company Limited is redeemable at the option of that company.

	£000s	£000s
<b>9 LOAN CAPITAL</b>	<b>Unsecured</b>	<b>Secured</b>
Corporation:		
3½% First Debenture Stock 1997 (£42,000 held by a subsidiary)	—	2,704
5½% Unsecured Loan Stock 1963/67	5,385	—
4½% Unsecured Loan 1977 (Swiss francs 60,000,000)	4,958	—
5% Unsecured Loan 1981 (Swiss francs 45,000,000)	3,719	—
Bank Loan repayable in 1966 (Belgian francs 220,000,000)	1,583	—
	15,645	2,704

<b>Subsidiaries:</b>		
United Kingdom	—	4,250
Canada	1,354	11,786
United States	1,333	30,173
Europe	2,056	357
Other countries	963	720
	5,706	47,286

Loan capital of subsidiaries is repayable at various dates up to 1984; £4,288,000 is repayable in 1966. Holders of the 4½% Swiss Loan have the right to convert one half of each Sw. frs. 1,000 bond into 17 ordinary shares of £1 each of the Corporation between 1st May and 31st December, 1966, or into 16 ordinary shares between 1st May and 31st December, 1967.

<b>10 TAX EQUALISATION</b>	<b>1965</b>	<b>1964</b>
Tax equalisation and special depreciation	11,415	10,677
Deferred overseas taxation	668	679
	12,083	11,356

Tax equalisation includes, for United Kingdom wholly owned subsidiaries, relief on initial allowances and, for other subsidiaries, the sum required at current tax rates to increase the aggregate of reserves for tax equalisation and special depreciation to the amount by which taxation to date has been reduced by claims for allowances in excess of normal depreciation charged in the accounts. Deferred overseas taxation has been reclassified by transfer from provisions.

<b>11 FUTURE TAXATION</b>	<b>1965</b>	<b>1964</b>
United Kingdom corporation tax due 1st January, 1967	2,215	—
United Kingdom income tax 1965/66	—	2,158
	2,215	2,158

<b>12 CURRENT ASSETS</b>	<b>CONSOLIDATED</b>		<b>CORPORATION</b>	
	<b>1965</b>	<b>1964</b>	<b>1965</b>	<b>1964</b>
Cash	7,607	6,114	2,935	2,731
Short term securities	78	1,652	4	444
Accounts receivable	26,433	26,964	454	776
Inventories at lower of cost and net realisable value	33,140	30,459	—	—
	67,258	65,189	3,393	3,951

	£000s		£000s	
	CONSOLIDATED		CORPORATION	
	1965	1964	1965	1964
Bank overdrafts (secured as to £1,823,000)	5,794	5,005	2,529	1,995
Acceptance credits and bills payable	6,265	6,338	—	—
Accrued interest on loan capital	1,023	1,096	253	255
Accounts payable	14,136	14,616	519	339
Taxation	4,558	4,841	—	—
Dividends payable, less income tax	2,754	2,403	2,491	2,190
	34,530	34,299	5,792	4,779
Provisions	810	532	300	—
	35,340	34,831	6,092	4,779

#### 14 DEPOSITS WITH TRUSTEES

Amounts deposited with trustees for bondholders and withdrawable for capital purposes.

#### 15 NOTES RECEIVABLE

Receivable in annual instalments over the next twelve years.

16 TRADE INVESTMENTS AT COST	CONSOLIDATED		CORPORATION	
	1965	1964	1965	1964
Associated companies	2,110	2,176	1,498	1,498
Other trade investments:				
Quoted (market value £683,000)	370	145	282	—
Unquoted	787	1,082	21	21
	3,267	3,403	1,801	1,519

The Organisation's proportion of the aggregate earnings of associated companies (including Bowater-Scott Australia Limited) for their financial years ended within 1965 amounted to £408,000 after taxation, of which dividends of £165,000 have been included in the consolidated profit for the year. At the end of 1965 Bowater-Scott Australia Limited became a subsidiary and its assets and liabilities are included in the consolidated balance sheet at 31st December, 1965.

17 FIXED ASSETS	Cost or valuation	Depreciation and amounts written off	Net book value	Net book value
			1965	1964
Freehold land, buildings and docks	48,975	11,863	37,112	36,639
Leasehold buildings	944	266	678	679
Timberlands and woods equipment	15,320	5,791	9,529	9,010
Hydro-electric assets	13,706	2,400	11,306	11,344
Plant and machinery	165,838	67,270	98,568	96,034
Ships	7,866	2,962	4,904	5,282
	252,649	90,552	162,097	158,988
Deferred operating expenditure:				
Woods development			398	381
Other operating costs			72	195
			162,567	159,564

Continued on page 19

	£000s	£000s
	Cost or valuation	Depreciation
<b>Movements during 1965:</b>		
at 1st January, 1965	241,490	82,502
Difference on conversion at current rates of exchange	(818)	(315)
Capital expenditure	13,012	-
Depreciation for the year	-	10,978
Disposals	(4,702)	(3,037)
On consolidation of Bowater-Scott Australia Limited	3,667	424
<b>at 31st December, 1965</b>	<b>252,649</b>	<b>90,552</b>

Fixed assets are taken at cost, with the exception of certain assets of the United Kingdom mills company which were revalued by the Directors at 31st December, 1955, hydro-electric assets in Newfoundland which were independently valued at 15th April, 1955, and assets of certain European subsidiaries which have been revalued in accordance with local fiscal laws.

<b>18 INVESTMENTS IN SUBSIDIARIES</b>	<b>1965</b>	<b>1964</b>
Shareholdings	69,256	68,328
Due from subsidiaries	29,283	23,927
Due to subsidiaries	(6,351)	(3,807)
	<b>92,188</b>	<b>88,448</b>

#### **19 CONTINGENT LIABILITIES AND COMMITMENTS**

Guarantees have been given by the Corporation for borrowings of £11,201,000 by subsidiaries and associated companies and in regard to a long-term contract for supplies of raw materials forming part of the security on which the loan capital of an overseas subsidiary was issued. There are contingent liabilities of £185,000 for uncalled capital on investments of the Corporation. Bills discounted and guarantees for borrowings by subsidiaries amount to £3,050,000. Orders placed on capital account by subsidiaries are estimated at £4,292,000.

#### **20 RATES OF EXCHANGE**

Conversion into sterling of the accounts of overseas subsidiaries has been effected at rates of exchange ruling at 31st December, 1965.

#### **Auditors' report**

to the members of The Bowater Paper Corporation Limited

We have examined the foregoing accounts made up to 31st December, 1965 comprising a Balance Sheet, which is in agreement with the books of account, and a Consolidated Balance Sheet and Profit and Loss Account. The accounts of certain subsidiaries have been audited by other firms. The Corporation has kept proper books and we obtained all the information and explanations which we considered necessary. In our opinion the accounts with the notes thereon comply with the Companies Act 1948 and give a true and fair view of the state of affairs of The Bowater Paper Corporation Limited and of the Corporation and its subsidiaries at 31st December, 1965 and of the profit for the year then ended.

ALDERMAN'S HOUSE, BISHOPSGATE, LONDON, E.C.2.

Barton, Mayhew & Co.

18th March, 1966

Chartered Accountants, Auditors

## A TEN YEAR RECORD

### CONSOLIDATED TRADING RESULTS

Sales of paper, pulp, packaging and other products and services  
Cost of sales and services

Trading surplus  
Depreciation

Profit after depreciation  
Interest on loan capital

Profit before taxation  
Taxation

Profit after taxation  
Minority interests and dividends on preference capital of subsidiary companies

Net profit attributable to the members of the Corporation

### PROFITS DEALT WITH AS FOLLOWS

Preference dividends  
Ordinary dividends  
Profits retained

### CAPITAL EMPLOYED

Ordinary or common capital  
Profits retained and reserves

Minority interests and preference capital of subsidiary companies  
Preference capital of the Corporation  
Tax equalisation and future taxation

Loan capital

### EMPLOYED AS FOLLOWS

Fixed assets less depreciation  
Net current assets

Total assets

### PRODUCTION (in short tons of 2,000 lb.)

Paper  
Pulp  
Packaging and other products

Total - all products

1956 £000s	1957 £000s	1958 £000s	1959 £000s	1960 £000s	1961 £000s	1962 £000s	1963 £000s	1964 £000s	1965 £000s
95,306 79,177	102,542 85,390	107,183 89,038	117,028 96,958	142,090 118,596	148,440 126,573	150,818 128,771	158,639 133,219	171,247 142,099	185,417 154,385
16,129 3,946	17,152 4,741	18,145 5,247	20,070 6,260	23,494 7,828	21,867 8,595	22,047 9,223	25,420 10,439	29,148 10,878	31,032 10,978
12,183 1,812	12,411 2,427	12,898 2,968	13,810 3,257	15,666 3,323	13,272 3,265	12,824 3,515	14,981 3,799	18,270 3,716	20,054 3,675
10,371 4,708	9,984 4,276	9,930 3,718	10,553 4,197	12,343 5,803	10,007 4,403	9,309 4,125	11,182 5,520	14,554 7,342	16,379 7,678
5,663 383	5,708 862	6,212 1,119	6,356 930	6,540 896	5,604 809	5,184 762	5,662 853	7,212 834	8,701 810
5,280	4,846	5,093	5,426	5,644	4,795	4,422	4,809	6,378	7,891
229 1,380 3,671	230 1,402 3,214	234 1,460 3,399	245 2,324 2,857	249 3,271 2,124	249 3,485 1,061	249 2,535 1,638	249 2,851 1,709	249 3,395 2,734	241 3,647 4,003
5,280	4,846	5,093	5,426	5,644	4,795	4,422	4,809	6,378	7,891
19,200 35,594	19,500 34,470	19,500 38,848	23,115 46,169	40,637 46,809	41,371 45,620	41,381 47,318	41,381 49,367	41,381 52,764	41,381 55,594
54,794	53,970	58,348	69,284	87,446	86,991	88,699	90,748	94,145	96,975
15,399 7,245 4,004	17,757 7,394 4,833	17,731 7,394 5,526	17,845 7,394 6,212	17,767 7,394 10,104	15,444 7,394 9,641	14,889 7,394 10,471	18,227 7,394 11,180	11,781 7,394 13,514	12,847 7,394 14,298
81,442 45,727	83,954 61,021	88,999 70,750	100,735 67,942	122,711 65,796	119,470 67,472	121,453 74,129	127,549 70,853	126,834 71,930	131,514 71,299
127,169	144,975	159,749	168,677	188,507	186,942	195,582	198,402	198,764	202,813
106,041 21,128	117,977 26,998	136,080 23,669	143,488 25,189	154,974 33,533	165,587 21,355	168,638 26,944	167,796 30,606	168,406 30,358	170,895 31,918
127,169	144,975	159,749	168,677	188,507	186,942	195,582	198,402	198,764	202,813
thousand short tons	thousand short tons	thousand short tons	thousand short tons	thousand short tons	thousand short tons				
1,281	1,422	1,347	1,455	1,706	1,820	1,817	1,848	2,022	2,103
393	355	299	357	504	589	580	645	686	790
85	120	220	236	286	304	331	366	383	389
1,759	1,897	1,866	2,048	2,496	2,713	2,728	2,859	3,091	3,282

## Products and services of principal operating companies

The percentages relate to the proportion of the ordinary capital held; where no percentage is shown the ordinary capital is wholly owned within the Organisation

### UNITED KINGDOM AND IRELAND

#### BOWATERS UNITED KINGDOM PULP AND PAPER MILLS LIMITED

Newsprint; roll and blade coated papers; mechanical printing, stationery and packaging papers; hardboard and insulating board, and ceiling panels

#### BOWATERS SALES COMPANY LIMITED

Distributors of products of United Kingdom Pulp and Paper Mills company

#### BOWATER PACKAGING LIMITED

Packaging products: corrugated cases, multiwall sacks, drums, cartons, boxes, and other paper, foil and plastic products

#### BOWATER-SCOTT CORPORATION LIMITED (50%)

Household and industrial disposable paper products

#### THE BOWATER STEAMSHIP COMPANY LIMITED

Shipowners; transport of group products

#### BOWATER FLEXPipe LIMITED

Pitch fibre pipes; flexible tubing

#### BOWATER HAMMOND LIMITED (51%)

Insurance brokers

#### THE BOWATER TRADING COMPANY LIMITED

Group purchasing

#### BOWATERS IRISH WALLBOARD MILLS LIMITED

Hardboard and medium hardboard

#### BOWATER TRAVEL LIMITED

Travel agents

### NORTH AMERICA

#### BOWATER'S NEWFOUNDLAND PULP AND PAPER MILLS LIMITED

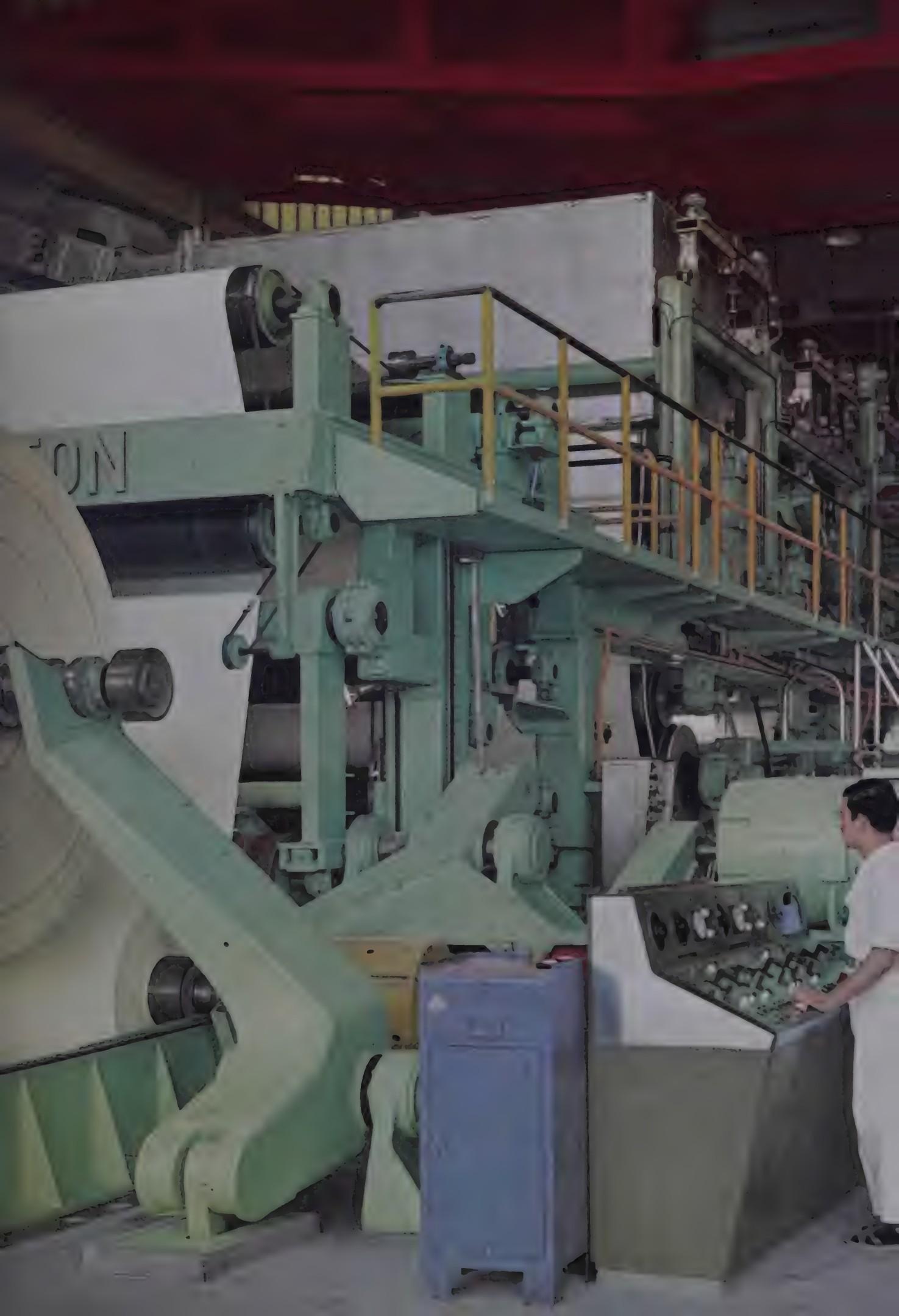
Newsprint, groundwood specialty papers and unbleached sulphite pulp

#### BOWATERS MERSEY PAPER COMPANY LIMITED, NOVA SCOTIA (51%)

Newsprint and lumber

#### THE BOWATER POWER COMPANY LIMITED, NEWFOUNDLAND

Hydro-electric power





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**BOWATERS SOUTHERN PAPER CORPORATION, TENNESSEE**  
Newsprint, groundwood specialty papers and semi-bleached kraft pulp

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**BOWATERS CAROLINA CORPORATION**  
Coated publication grade papers and fully bleached kraft pulp

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**THE BOWATER PAPER COMPANY INC., NEW YORK**  
Distributors of newsprint, specialty papers and pulp

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**OTHER OVERSEAS**

**PAPETERIES DE LA CHAPELLE S.A., ROUEN (72%)**  
Newsprint, mechanical printings, roll and blade coated papers

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**LA CELLULOSE DE STRASBOURG S.A.**  
Sulphite pulp

---

**BOWATER BELGIUM S.A., BRUSSELS**  
Packaging products: cartons and boxes

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**BOWATER PROT S.A., RHEIMS**  
Packaging products: cartons and flexible packaging

---

**BOWATER ITALIA S.p.A., GENOA**  
Packaging products: corrugated cases

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**BOWATERS SVENSKA TRÄMASSEFABRIKER AKTIEBOLAG, SWEDEN**  
Groundwood pulp

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**BOWATER PAPER COMPANY PTY. LIMITED, SYDNEY**  
Paper merchants; distributors of newsprint, pulp and timber; general agents

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**BOWATER-SCOTT AUSTRALIA LIMITED (50%)**  
Household and industrial disposable paper products

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**BOWATER PAPER COMPANY (N.Z.) LIMITED, AUCKLAND**  
Distributors of newsprint, pulp, timber, and paper mill equipment

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## The Bowater Paper Corporation Limited

### Directors of principal subsidiary and associated companies

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#### BOWATERS CANADIAN CORPORATION LIMITED, NEWFOUNDLAND

Sir Christopher Chancellor, c.m.g., *Chairman* J. Martin Ritchie, *Vice-Chairman* J. H. Mowbray Jones, *President* A. E. Balloch, o.b.e. H. K. Joyce Robert Knight K. N. Linforth Sam Mann A. Martin W. A. Sprague V. J. Sutton

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#### BOWATERS UNITED STATES CORPORATION, TENNESSEE

Sir Christopher Chancellor, c.m.g., *Chairman* J. Martin Ritchie, *Vice-Chairman* V. J. Sutton, *President* L. E. Culbertson J. C. Hair J. H. Mowbray Jones Sir John Keeling Robert Knight Sam Mann W. A. Sprague E. B. Vaughan

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#### THE BOWATER CORPORATION OF AUSTRALIA LIMITED, SYDNEY

Sir Christopher Chancellor, c.m.g., *Chairman* A. Lissenden, *Vice-Chairman* R. A. Stephens, *Vice-Chairman* H. S. Archdall R. J. Brideson K. N. Linforth J. F. N. McKinnell J. Martin Ritchie R. W. Turner

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#### THE BOWATER STEAMSHIP COMPANY LIMITED, UNITED KINGDOM

Sir Christopher Chancellor, c.m.g., *Chairman* B. G. S. Cayzer J. A. Colvin J. C. Goobie Robert Knight A. E. Lemon K. N. Linforth J. Martin Ritchie

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#### BOWATER-SCOTT CORPORATION LIMITED, UNITED KINGDOM

Sir Christopher Chancellor, c.m.g., *Chairman* F. M. O'Brien, *General Manager* P. C. Baldwin C. D. Dickey H. F. Dunning Robert Knight K. N. Linforth J. Martin Ritchie Neville Whitehurst, o.b.e.

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#### BOWATER HAMMOND LIMITED, UNITED KINGDOM

Sir Christopher Chancellor, c.m.g., *Chairman* Gordon Biggs Robert Knight Sam Mann J. Martin Ritchie J. D. Stewart J. R. C. Townsend

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#### BOWATERS UNITED KINGDOM PULP AND PAPER MILLS LIMITED

Neville Whitehurst, o.b.e., *Chairman and General Manager* E. T. Baker Andrew Ireland Robert Knight A. S. Linforth G. Martin-Turner J. Nichols T. L. Raine

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#### BOWATER PACKAGING LIMITED, UNITED KINGDOM

C. F. Popham, *Chairman and General Manager* H. B. Dean L. A. W. Edwards F. S. Hayes H. W. King Robert Knight W. Parlane P. D. Patrick R. C. Ross T. C. Watkins

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#### BOWATERS SALES COMPANY LIMITED, UNITED KINGDOM

Neville Whitehurst, o.b.e., *Chairman* R. A. Batchelor, *Deputy Chairman* J. T. Bett A. S. Linforth G. Martin-Turner F. R. Morley J. Nichols D. J. Parsons R. E. Ridout G. H. West

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#### THE BOWATER TRADING COMPANY LIMITED, UNITED KINGDOM

J. A. Colvin, *Chairman* E. T. Baker E. J. H. Barker G. R. Fowler D. A. G. Horner

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#### BOWATER TRAVEL LIMITED, UNITED KINGDOM

Robert Knight, *Chairman* D. Duma, *General Manager* E. Baker J. H. Cotmore J. A. Mellott W. E. J. Miles

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#### BOWATER'S NEWFOUNDLAND PULP AND PAPER MILLS LIMITED

A. Martin, *Chairman* H. K. Joyce, *President and General Manager*  
B. R. Pryde, *Assistant General Manager* F. G. Huck, *Vice-President* J. D. Roberts, *Vice-President*  
A. R. Stanford, *Vice-President* Sam Mann

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#### BOWATERS MERSEY PAPER COMPANY LIMITED, NOVA SCOTIA

J. H. Mowbray Jones, *Chairman* A. E. Balloch, o.b.e., *President and General Manager*  
H. A. Paterson, *Vice-President*  
F. S. Beebe F. M. Covert, o.c. Mrs. Katharine Graham Sam Mann J. W. Sweeterman

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#### THE BOWATER POWER COMPANY LIMITED, NEWFOUNDLAND

A. Martin, *Chairman* M. G. Green, *President and General Manager*  
H. K. Joyce Sam Mann

---

#### BOWATERS SOUTHERN PAPER CORPORATION, TENNESSEE

V. J. Sutton, *Chairman and President*  
L. E. Culbertson, *Executive Vice-President and General Manager*  
R. R. Edgar, *Vice-President* C. E. Opdyke, *Vice-President* J. G. Cate

---

#### BOWATERS CAROLINA CORPORATION

V. J. Sutton, *Chairman and Chief Executive Officer*  
J. C. Hair, *President and General Manager* H. C. Carruth, *Vice-President and Assistant General Manager*  
C. E. Opdyke, *Vice-President* J. G. Cate

---

#### THE BOWATER PAPER COMPANY INC., NEW YORK

W. A. Sprague, *President*  
J. C. Goobie, *Vice-President and General Manager* G. B. Hutchings, *Vice-President* P. A. Mahony, *Vice-President*  
C. E. Martin, *Vice-President* N. B. Thomey, *Vice-President*  
R. E. Watt, *Vice-President* R. K. Pfister

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#### BOWATERS IRISH WALLBOARD MILLS LIMITED

Neville Whitehurst, o.b.e., *Chairman* D. A. Bell, *Manager*  
The Hon. John Forbes Andrew Ireland A. S. Linforth G. Martin-Turner D. McCullough  
G. G. Overend P. Thomas

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#### PAPER INDUSTRIES LIMITED, ZURICH

E. Reinhardt, *Chairman* Robert Knight, *Vice-Chairman*  
Sam Mann H. Schmuki V. Zoller

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#### PAPETERIES DE LA CHAPELLE S.A., ROUEN

G. Forest, *Président-Directeur Général*  
C. Amiet P. Krug K. N. Linforth J. Nichols T. L. Raine R. Schulz Neville Whitehurst, o.b.e.

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#### LA CELLULOSE DE STRASBOURG S.A.

R. Saur, *Président-Directeur Général*  
K. N. Linforth Robert Michaut T. L. Raine H. Ch. Seegmuller M. Wehrlin Neville Whitehurst, o.b.e.

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BOWATER BELGIUM S.A., BRUSSELS

J. M. Doneux, *Président*  
Jean Michel R. C. Ross T. C. Watkins

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BOWATER PROT S.A., RHEIMS

J. M. Doneux, *Président-Directeur Général*  
M. Bernard R. C. Ross T. C. Watkins

---

BOWATER ITALIA S.p.A., GENOA

H. B. Dean, *Presidente* V. Denari, *General Manager*  
G. Heimann U. Ravioli S. Sanguinazzi

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BOWATERS SVENSKA TRÄMASSEFABRIKER AKTIEBOLAG, SWEDEN

Sune Wetter, *Chairman*  
J. A. Colvin Göte Engfors  
G. Johnsson, *Managing Director*

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BOWATER PAPER COMPANY PTY. LIMITED, AUSTRALIA

A. Lissenden, *Chairman and Chief Executive Officer* R. W. Turner, *Vice-Chairman* R. J. Brideson, *General Manager*  
W. Dunstan J. L. Hunter D. J. McKenzie J. F. N. McKinnell D. H. G. Pashen F. J. Sullivan

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BOWATER-SCOTT AUSTRALIA LIMITED, MELBOURNE

H. S. Archdall, *Chairman and Managing Director*  
C. D. Dickey H. F. Dunning K. N. Linforth A. Lissenden G. Willing Pepper

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BOWATER PAPER COMPANY (N.Z.) LIMITED, NEW ZEALAND

J. F. N. McKinnell, *Chairman* K. H. Wade, *General Manager*  
R. C. Deeble J. C. Mulqueen

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**ASSOCIATED COMPANIES**

BOWATER PHILIPS S.A., GHENT

C. F. Popham, *Chairman*  
B. G. Alexander H. van Donselaar R. A. E. Rolin Jaequemyns W. Th. J. Lier W. Parlame R. van Dijk  
P. Th. van der Weide

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BOWATER ASSOCIATED INDUSTRIES (PROPRIETARY) LIMITED, SOUTH AFRICA

G. C. Greenwood, *Chairman* R. K. Donner, *Managing Director*  
E. Donner Robert Knight A. Levenberg R. W. Turner

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AKTIESELSKAPET RISÖR TRÄMASSEFABRIKER, NORWAY

Christian Anker, *Chairman*  
J. A. Colvin Per Norgren

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BULKLEY VALLEY PULP & TIMBER LIMITED, BRITISH COLUMBIA

J. H. Mowbray Jones, *Chairman* R. A. Irwin, *President*  
A. E. Balloch, o.b.e. D. G. Currie H. Hagman R. M. Hungerford J. Martin Ritchie W. I. M. Turner

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**THE BOWATER ORGANISATION Annual Report and Accounts for 1965**